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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 5, 2007

Mr. Nick Economides
Executive Vice President, Commercial Products and Technology
ORYXE Energy International, Inc.
6 Thomas Avenue
Irvine, CA 92618

Re: Alternative Diesel Fuel Formulation Approval Notification

Dear Mr. Economides:

The Texas Commission on Environmental Quality (TCEQ) has approved the formulation comprised of a B20 or less blend of ASTM D6751-compliant B100 biodiesel and ASTM D975-compliant Grade No. 1-D or No. 2-D diesel fuel that is treated with the ORYXE Energy International, Inc. OR-LED3 diesel fuel additive as an alternative diesel fuel formulation for Texas low emission diesel fuel (TxLED) in accordance with §114.315(c) of the TCEQ regulations. This approval is based upon the following findings:

- The emissions testing performed at the West Virginia University's Engine and Emissions Research Laboratory (WVU) was conducted in accordance with the procedures specified in §114.315(c).
- The comparative analysis of the emission test data from this testing, calculated as specified in §114.315(c)(5), demonstrates that the emissions of nitrogen oxides and particulate from the use of an alternative diesel formulation comprised of a B20 blend of ASTM D6751-compliant B100 biodiesel and ASTM D975-compliant Grade No. 2-D diesel fuel that was treated with the ORYXE Energy International, Inc. OR-LED3 diesel fuel additive, registered with the U.S. Environmental Protection Agency as "192220005 OR-LED3" by ORYXE Energy International, Inc. in accordance with the requirements of 40 CFR §79.23, is comparable to or better than TxLED.

This approval applies to the alternative diesel fuel formulation comprised of a biodiesel/diesel blend of 20 percent or less by volume ASTM D6751-compliant B100 biodiesel and 80 percent or more by volume ASTM D975-compliant Grade No. 1-D or No. 2-D diesel fuel that is treated with 20 milliliters of the ORYXE Energy International, Inc. OR-LED3 diesel additive, to be marketed as "OR-LED3 (bio)," per gallon of B20 or less blend diesel fuel, as described in the TCEQ's Approval Notification issued under the following notice number:

- TCEQ assigned identification number: TXLED-A-00008.

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As a TCEQ approved alternative diesel fuel formulation, diesel fuel producers may use a B20 or less blend of ASTM D6751-compliant B100 biodiesel and ASTM D975-compliant Grade No. 1-D or No. 2-D diesel fuel that is treated with the ORYXE Energy International, Inc. OR-LED3 (bio) diesel fuel additive for compliance with the TxLED fuel content requirements as provided under §114.312(f) of the TCEQ regulations. Producers using this product will be required to comply with the registration requirements specified under §114.314 of the TCEQ regulations and the appropriate monitoring, recordkeeping, and reporting requirements specified under §114.316 of the TCEQ regulations.

This approval is subject to the actual emissions performance of diesel-powered engines using the B20 or less blend diesel fuel treated with the ORYXE Energy International, Inc. OR-LED3 (bio) diesel additive. Evidence that fuel treated with the ORYXE Energy International, Inc. OR-LED3 (bio) diesel additive does not result in emissions that are equivalent to or better than fuel meeting the cetane number and aromatic hydrocarbons content requirements of TxLED may result in the revocation of this approval or other appropriate enforcement action. This approval is also subject to proper treatment and storage of B20 or less blend diesel fuel with the ORYXE Energy International, Inc. OR-LED3 (bio) diesel additive.

ORYXE Energy International, Inc. is required to provide customers with detailed written instructions regarding specific storage requirements, blending methods, and treatment rate that are necessary to ensure proper additive performance. Improper storage, blending, and/or treatment rate of ORYXE Energy International, Inc. OR-LED3 (bio)-treated B20 or less blend diesel fuel may result in enforcement action.

Enclosed with this letter is the Approval Notification documenting TCEQ's approval of the formulation comprised of a B20 or less blend of ASTM D6751-compliant B100 biodiesel and ASTM D975-compliant Grade No. 1-D or No. 2-D diesel fuel that is treated with the ORYXE Energy International, Inc. OR-LED3 (bio) diesel fuel additive as an alternative diesel fuel formulation for TxLED. This letter and the Approval Notification document will be posted to the TCEQ website for public notice at the following link:

<http://www.tceq.state.tx.us/implementation/air/sip/cleandiesel.html>.

If you have any questions, please call Mr. Morris Brown in the TCEQ's Air Quality Division at (512) 239-1438.

Sincerely,



David C. Schanbacher, P.E.
Chief Engineer
Texas Commission on Environmental Quality

DS/mb

Enclosure